

Morgan Stanley

Annual Letter to Shareholders





Ted Pick
Chairman and Chief Executive Officer

Dear Fellow Shareholders:

Morgan Stanley delivered record revenues and net income in 2025. This outstanding performance reflects the deliberate execution of our strategy, the strength of our diversified business model and the extraordinary talent of our people. The Firm's trusted advisor franchise delivered growth across businesses and regions with consistent performance throughout the year, demonstrating our ability to execute across the Integrated Firm. Morgan Stanley produced full-year net revenues of \$70.6 billion, diluted earnings per share of \$10.21 and a return on average tangible common equity of 21.6%. Total client assets reached \$9.3 trillion, marking another year of significant growth.

Our strong performance was delivered in an environment defined by a resilient U.S. economy against a shifting macroeconomic and policy landscape. Well-capitalized corporates and higher-end consumers drove the economy forward. Fiscal conditions were constructive, monetary policy eased and capital markets had a healthy recovery. In Institutional Securities, Investment Banking pipelines strengthened throughout the year amid renewed

confidence among issuers, and our world-class Markets segment gained share. In our Wealth and Investment Management divisions, client engagement strengthened resulting in increased asset inflows. Against this backdrop, the Firm executed its strategy of helping clients raise, manage and allocate capital from a position of strength.

Our strategy is working. The transformation of Morgan Stanley over the past decade and a half has produced a global, diversified franchise that performs durably across varying markets. Our Integrated Firm's business model, with a scaled wealth and investment manager alongside a leading global investment bank, compounds earnings in a capital-efficient way. Over the last eight quarters, across periods of both opportunity and uncertainty, we delivered consistent results, a blueprint for Morgan Stanley's success. We are executing across the four pillars of the Integrated Firm—Strategy, Culture, Financial Strength and Growth—to drive long-term value for shareholders.

Our performance would not be possible without the extraordinary talent of our people. Key drivers of our success have been the breadth and tenure of our talent, as well as a unique culture and a set of values that guide our employees. Ours is a talent business that demands ongoing investment in our people around the world across each business segment and infrastructure unit. We view Morgan Stanley's talent and culture as a key competitive advantage enabling the Firm to achieve its potential and drive future success.

In 2025, we celebrated the 90th anniversary of our Firm, a milestone that gave us the opportunity to honor the past and look to our future. Morgan Stanley is a special place, driven by the grit and optimism of our colleagues around the world. I am confident that our culture of Rigor, Humility and Partnership will keep us grounded and guide us to continued success in the decades to come.

2025 Financial Performance

The macroeconomic environment in 2025 was built on a resilient corporate and consumer base, moderating inflation, and an improvement in capital markets activity. Demand for

strategic advice strengthened around the world. At the same time, geopolitical complexity remains a feature of the landscape and asset prices reflect several years of strong gains. We supported our clients with advice, market access, capital allocation and risk management. We executed with discipline through these macro dynamics, delivering record results. Our performance reflects the multi-year investments that have contributed to growth across the Integrated Firm.

Morgan Stanley reported an outstanding year. The Firm delivered record annual net revenues of \$70.6 billion, net income of \$16.9 billion, diluted earnings per share of \$10.21 and a return on average tangible common equity of 21.6%. An efficiency ratio of 68.4% demonstrated the operating leverage of our platform and the benefits of investments in technology and infrastructure. Client asset growth accelerated, adding \$1.4 trillion in 2025. Total client assets reached \$9.3 trillion at year-end.

Over the course of the year, the Firm delivered consistent revenue and earnings strength. Our business performance and financial results show that we broadly met or exceeded Firmwide goals.

2025 Highlights

EXECUTING OUR STRATEGY

\$9.3 trillion in total client assets across Wealth and Investment Management

\$7.4 trillion in Wealth Management client assets reaching over 20 million relationships

Net new assets in Wealth Management of \$356 billion; fee-based asset flows of \$160 billion

Wealth Management pre-tax margin of 29.3%

No. 1 underwriter of U.S. investment-grade debt and No. 2 underwriter of global high-yield debt

No. 2 in Equities revenue wallet share at 22.1%

No. 1 in managing retail direct indexing through Parametric

\$34 billion of long-term net flows led by strength in Alternatives and Solutions and Fixed Income asset classes, supporting \$1.9 trillion in assets under management in Investment Management

Increased the quarterly common dividend by 7.5 cents for the fourth year in a row to \$1.00 per share

FORTIFIED CAPITAL AND ENHANCED LIQUIDITY

Common equity tier 1 capital ratio standardized approach of 15.0% as of December 31, 2025, with \$102 billion in common equity

\$386 billion average global liquidity resources as of December 31, 2025

Wealth Management deposits of \$408 billion

Executing on a Higher Plane

Our focus is to deliver sustained performance through cycles, achieving higher highs in constructive environments and higher lows when conditions become more challenging.

Our average earnings per share and returns on tangible equity over the last decade reflect the transformation of Morgan Stanley's business model. The performance of the last five years has been the result of share gains and operating leverage via consistent investment in technology, footprint and the successful integration of key strategic acquisitions.

Over this five-year period, Wealth and Investment Management client assets compounded toward \$10 trillion. Institutional Securities gained 100 basis points of wallet share with clients globally across Investment Banking and Markets reflecting the strength of our Integrated Investment Bank.

We are well on track toward our Firmwide goals. Wealth Management pre-tax margins were at their highest level ever with the full year's 29.3% result. Institutional Securities gained share across underwriting and equities trading and we closed last year with momentum in Advisory. We are executing from

a position of strength and continue to benefit from our multi-year investments in the core businesses, management stability and growing excess capital. As a result, Morgan Stanley is operating at a higher run rate.

We expect the mix of tailwinds and headwinds that we saw in 2025 to continue in 2026 and are prepared to execute in this environment. Our multi-year growth plan contemplates both secular growth and continued durable share gains. The longer-term cadence we seek is a higher plane of operating performance through the cycle as we compound earnings in a capital-efficient way.

Business Segment Review

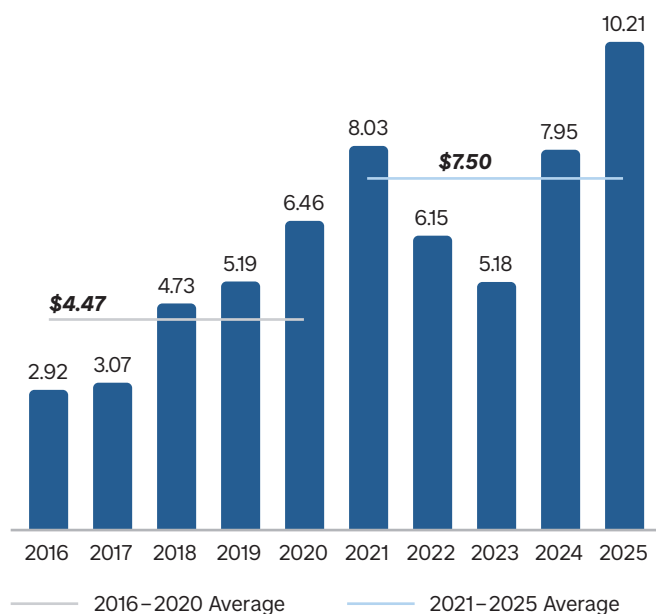
WEALTH MANAGEMENT

Wealth Management delivered another record year in 2025, driven by strong engagement across the Financial Advisor, Workplace and E*TRADE channels. Full-year revenues were \$31.8 billion, with a pre-tax margin of 29.3%. We remain an industry leader in gathering assets and driving fee-based flows. Net new assets exceeded \$350 billion and fee-based flows reached \$160 billion, reflecting the strength of our client

CONSISTENT EXECUTION ON A HIGHER PLANE

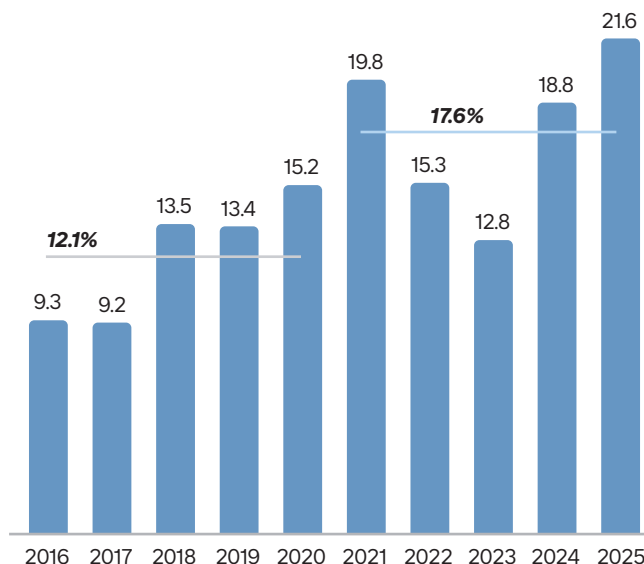
Earnings Growth

Diluted EPS (\$)



Higher Returns

ROTC (%)



relationships and the success of our client acquisition funnel. As a result of this growth and higher markets, client assets in Wealth Management reached \$7.4 trillion at year-end.

Our Wealth Management business is built for scale and performance. Over the last five years, the business has attracted more than \$1.6 trillion of net new assets and doubled fee-based flows. With more than 20 million client relationships, our future growth is embedded in the business. Our intense focus on the value of advice, which generates movement through the funnel, allows us to capture, where appropriate, opportunities for advisor-led assets.

In 2025, we saw accelerating flows across channels with approximately \$100 billion migrating to Financial Advisors from relationships that originated either in the Workplace or E*TRADE channels. We are using our scale to invest in broadening capabilities for Financial Advisors that are difficult for others to replicate. We are expanding our capabilities in alternatives, private markets, tax-efficient investing, digitized assets, family office and tailored lending. Collaboration across the Integrated Firm is felt by clients for both their corporate and personal wealth needs.

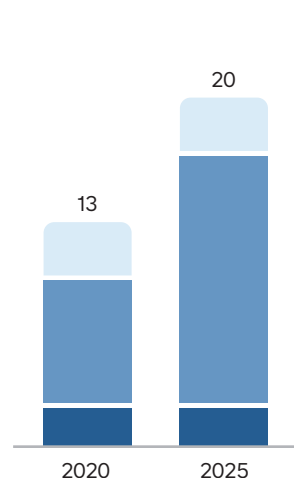
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Our Integrated Firm’s business model, with a scaled wealth and investment manager alongside a leading global investment bank, compounds earnings in a capital-efficient way.

WEALTH MANAGEMENT DELIVERING RESULTS ALIGNED TO FUTURE GROWTH

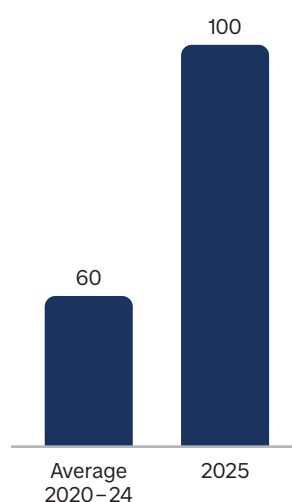
Growing Relationships

Core Client Relationships (MM)



Funnel Is Delivering

Advisor-Led Flows from Workplace and E*TRADE (\$Bn)



Future Opportunity

Workplace

Market-Leading Platform to Power Growth for Financial Advisors

Expand Product Capabilities

Alternatives, Private Markets, Tax-Efficient Investing, Crypto and Tokenization

Institutionalization of Wealth

Family Office, OCIO, Tailored Lending

■ Advisor-Led ■ Workplace ■ Self-Directed



Our Wealth Management business is built for scale and performance. Over the last five years, the business has attracted more than \$1.6 trillion of net new assets and doubled fee-based flows.

The 2025 acquisition of EquityZen accelerates our robust private markets capabilities by offering additional liquidity options for workplace participants and broadens investment opportunities for our Wealth Management clients. We manage capitalization tables for late stage, pre-IPO companies, placing us in an extended corporate life cycle, whereby clients seeking liquidity are connected with investors seeking diversified private markets exposure. Our ability to connect supply and demand at scale through an issuer-first solution is greatly enhanced.

EquityZen, our extended partnership with Carta, and our work offering additional solutions for digital assets, all reinforce our efforts to support clients across both public and private ecosystems. Workplace remains one of our most powerful strategic differentiators, bringing corporate client and employee wealth needs together under one integrated platform. As clients progress through the funnel, our Financial Advisors can provide trusted advice and broaden investment relationships across the wealth spectrum.

INSTITUTIONAL SECURITIES

Institutional Securities delivered record revenues of \$33.1 billion in 2025, benefiting from deep client relationships and a global footprint under the Integrated Investment Bank. Both Investment Banking and Markets have gained wallet share in recent years, supported by strong performance in Advisory and Equities, as well as durable results across lending and financing. Revenue growth, supported by the recovery in the investment banking ecosystem, has been roughly twice the growth of allocated capital since 2023, reflecting our continued focus on capital-efficiency and operating leverage.

Institutional Securities has the potential to grow its top line at twice the rate of nominal GDP. The value proposition of this business is reflected in the Integrated Investment Bank. We approach client coverage holistically and provide comprehensive solutions with the support of integrated teams. The Institutional Securities leadership team averages nearly 25 years of experience at Morgan Stanley; this tenure is critical in bringing the best of our intellectual capital to clients and provides continuity, judgment and deep client partnership.

Our expectation is for capital markets to be vibrant over the medium term. Large private companies need to go public, financial sponsors are looking to monetize their assets, and increased efficiency and effectiveness driven by artificial intelligence will influence corporate strategic behavior. Moreover, our global footprint means we have additional share opportunities, with key international centers offering an attractive competitive market and geographic diversification.

Equitization of global markets, capital formation and structuring across asset classes and cross-border M&A are at the core of our global capabilities. We are investing in technology, analytics and AI capabilities that will accelerate our ability to offer clients best-in-class access, execution and advice. These investments, combined with continued share gains in Institutional Securities, position us well for the global investment banking and capital market cycle in 2026 and beyond.

INVESTMENT MANAGEMENT

In 2025, Investment Management reported record revenues of \$6.5 billion, with durable management fee revenue reaching all-time highs. We have diversification in Investment Management led by Parametric, alternative investments, and fixed income. Total assets under management grew to \$1.9 trillion at year-end, supported by market gains and net asset inflows. Ongoing demand for Parametric customized portfolios and fixed income strategies supported long-term net inflows of \$34 billion for the year.

Investment Management continues to benefit from secular growth in tax-efficient investing solutions. Parametric leads the industry with \$685 billion in assets under management and stands to benefit as more clients and asset managers seek customized solutions. Our alternatives platform more than doubled in five years to \$270 billion in investable capital, with strong client demand across a range of products. We continue to invest in technology, distribution and product innovation to serve a broadening global client base.

Investing in Growth

We continue to invest for growth across each of our three business segments via human capital and technology. Our growth plans embed the increasing adoption of AI tools throughout the enterprise and inside our client base. We are embedding AI talent and resources across each of our

businesses to drive tailored capabilities and efficiencies, accelerate development cycles and continue elevating client service.

AI is a strategic enterprise priority that will reshape productivity and unlock economic value. Morgan Stanley was an early adopter of AI, and we are seeing this once-in-a-generation technology innovation enhance infrastructure efficiencies. AI tools are maturing rapidly and empowering our professionals. Incontrovertibly, these tools are a productivity enabler and augment human judgment and advice. With each passing quarter, our confidence continues to increase in the potential for both the efficiency and the effectiveness of AI-related technologies across our business units and infrastructure.

Capital Strength and Flexibility

Our capital position remains strong. The Firm ended the year with a standardized CET1 ratio of 15.0%, more than 300 basis points above regulatory requirements. Our durable business model and strong earnings profile have kept capital levels high during a period when the regulatory capital framework has begun to normalize. With the growth in fee-based revenue streams, our regulatory minimum CET1 ratio has steadily come down.

We are committed to delivering prudent, sustainable dividend growth. In 2025, we increased the quarterly dividend by

MOMENTUM ACROSS THE INTEGRATED INVESTMENT BANK

Supporting Clients Across the Investment Bank



Opportunities for Durable Share Gains

Accelerating M&A and IPO Backlogs

Institutionalization of Credit Markets

Equitization of Global Markets

Cross Asset Capital Formation, Innovation & Risk Management Solutions

Technology Initiatives for Scale

Our Culture

Rigor

Humility

Partnership

7.5 cents for the fourth consecutive year to \$1.00 per share. Excess capital will be directed to continued dividend growth and to ongoing investment in clients and technology across the Integrated Firm. We will also continue to opportunistically buy back stock as conditions allow. With respect to inorganic growth, we will watch for potential adjacencies but will continue to be patient as the bar for acquisitions is high. Morgan Stanley’s track record of integrating acquisitions is a direct result of a rigorous assessment of strategic and cultural fit in addition to considerations around timing and price. The first call on capital will continue to be to the Firm’s clients and the continued growth of our core businesses.

With the passage of time, the continued durability of our business model may be further enhanced by well-considered regulatory reform. As capital requirements normalize, our strong buffer provides flexibility to invest in clients, technology and the Integrated Firm, while maintaining the discipline that has served us well.

Global Scale and Reach

Morgan Stanley is a global institution that operates as an Integrated Firm delivering advice and solutions to clients around the world. Thirty thousand of our 83,000 global employees work outside the United States throughout every business unit and across large tracts of our infrastructure divisions. In 2025, a quarter of Firmwide revenues originated outside the U.S., supported by strong growth in Asia and EMEA. Revenue growth since 2023 reached 50% in Asia, 40% in EMEA and 30% in the Americas.

GROWING THE INTEGRATED FIRM



We have a world-class business in Asia. Our joint ventures in Japan, with our close partner MUFG, are approaching their twentieth year. We have a long-standing presence in Hong Kong. We are a top player across Europe and have grown in the E.U. and maintained our leadership position in the U.K. In a world that is simultaneously de-globalizing and re-globalizing, our presence and footprint matter. Clients value our ability to deliver coordinated global advice coupled with local expertise.

Our international scale and reach, combined with the ethos of our Integrated Firm, allow us to provide unmatched advice, insight and solutions to our global clients.

Four Pillars of Morgan Stanley: The Integrated Firm

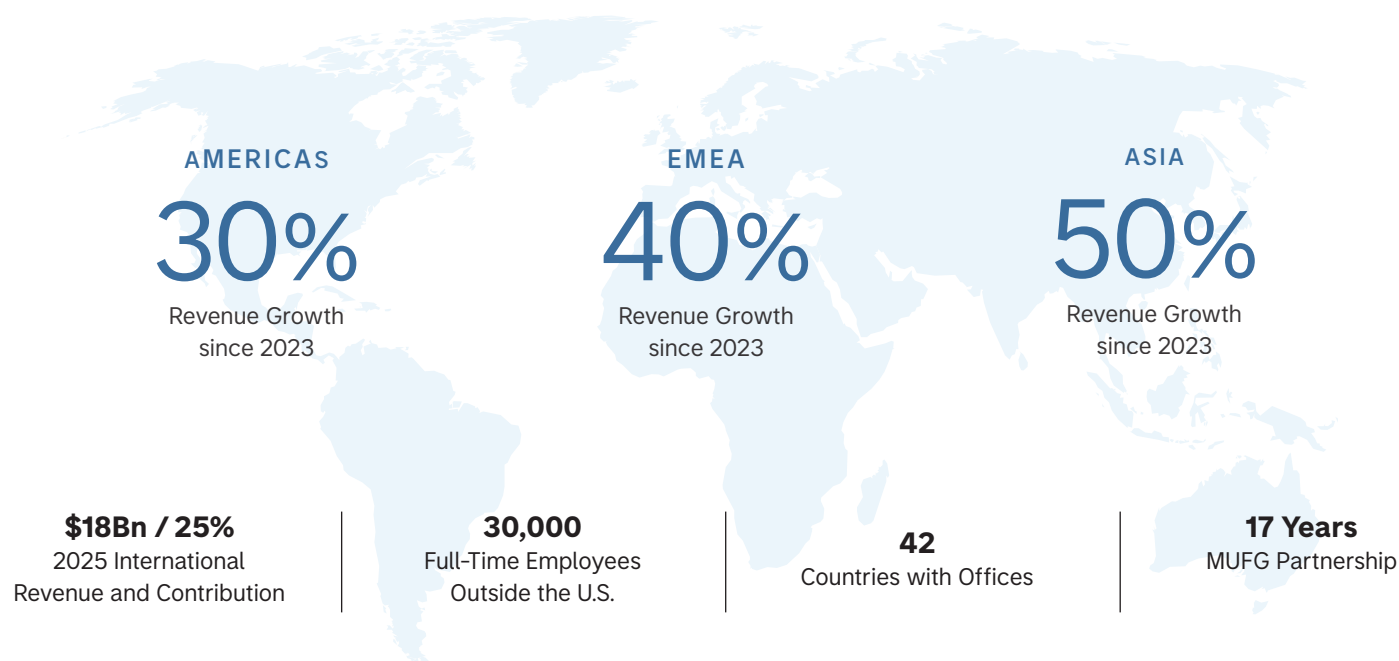
Morgan Stanley is well-positioned to continue to capitalize on growth opportunities in our core businesses. Four pillars support our ability to deliver and win as an Integrated Firm: Strategy, Culture, Financial Strength and Growth.

Morgan Stanley's Strategy to raise, manage and allocate capital is well-understood by our clients, people and shareholders;

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Our international scale and reach, combined with the ethos of our Integrated Firm, allow us to provide unmatched advice, insight and solutions to our global clients.

THE INTEGRATED FIRM OPERATES ON A GLOBAL SCALE



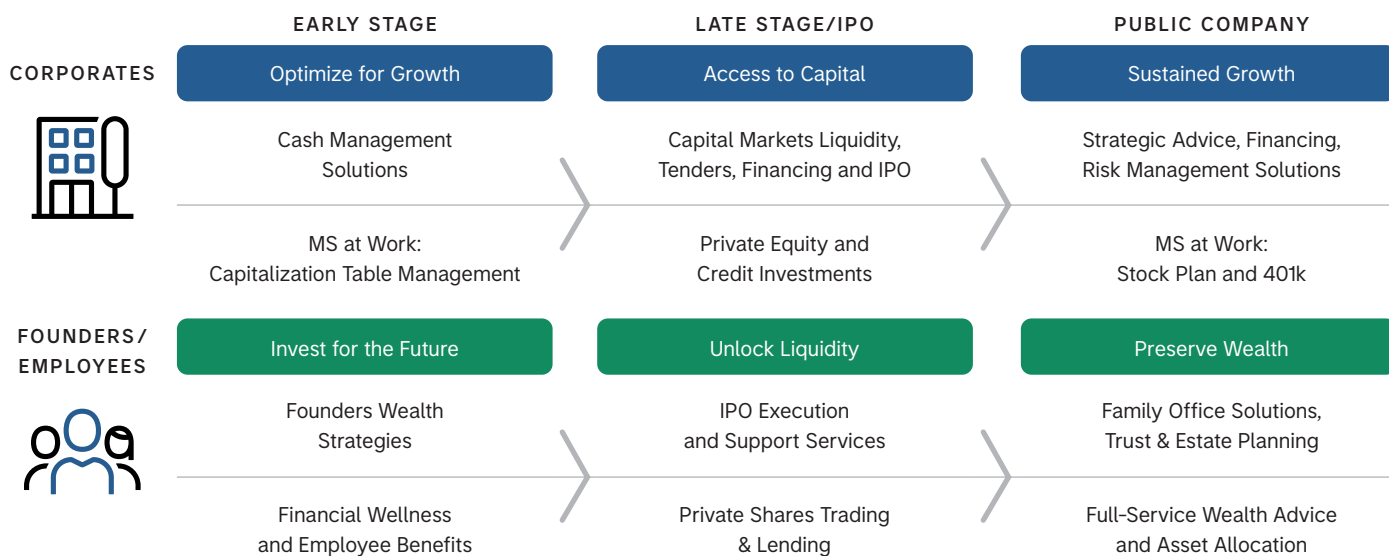
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Our integrated model with scaled capabilities allows us to partner with clients at every stage of their financial journey.

Culture is about Rigor, Humility and Partnership; Financial Strength is about capital, earnings power and durability; and Growth is about smart, strategic investment in Wealth Management, Institutional Securities and Investment Management, and across the Firm globally.

Our integrated model with scaled capabilities allows us to partner with clients at every stage of their financial journey. For private and public companies, we provide capitalization table management and equity compensation solutions through Morgan Stanley at Work. As these clients scale, we support them with institutional services like liquidity solutions, private capital markets, strategic advice and access to public markets. Their employees benefit from our financial wellness programs, Workplace platform and full-service wealth advisory. This continuum—from founding to public maturity, from corporate relationships to personal wealth—creates a competitive advantage unique to Morgan Stanley. The result is growing assets and compounding earnings in a capital-efficient way over the long term.

THE INTEGRATED FIRM DELIVERS UNMATCHED CAPABILITIES THROUGHOUT CLIENTS' GROWTH CYCLES



We have reaffirmed our financial goals for the franchise. Morgan Stanley's results show that we broadly met or exceeded several of these Firmwide goals in 2025. Nevertheless, there are both macroeconomic and geopolitical tailwinds and headwinds. We would be well-served to watch for any overreaching against ongoing geopolitical uncertainty and meaningfully higher asset prices. The onset of conflict in the Middle East and the scrutiny of some private credit concentration risk highlight the need for vigilance and the imperative of risk management. Our expectation going forward is that if the environment is welcoming, we are meant to execute at or above our Firmwide goals, and when the backdrop is more challenging, to endeavor to achieve higher lows. Over the long term, we aim to deliver a higher plane of operating performance through business cycles.

Our People and Culture

The extraordinary talent of our people is at the heart of delivering this higher plane of performance. We support employee development and career growth, and we continue to invest in talent across levels—through leadership development programs, mobility opportunities, mentorship and enhanced compensation structures. Our people embody the qualities that define Morgan Stanley: integrity, resilience, teamwork and an unwavering commitment to clients.

We are fortunate to have strong management teams across our business and infrastructure groups. Our Operating Committee and Management Committee leadership executives average more than 20 years of tenure at the Firm. The Operating Committee and Management Committees represent the best of our culture and bring constancy of leadership. They are the embodiment of our culture of Rigor, Humility and Partnership.

Our Co-Presidents, Andy Saperstein and Dan Simkowitz, play a critical role in delivering the Integrated Firm to our clients. They have been instrumental in executing our strategy and taking our businesses to new heights with clients over the last two years. Andy and Dan, along with the leadership team across the Operating and Management Committees, continue to energetically drive business and infrastructure performance.

Morgan Stanley benefits from a seasoned and highly capable Board of Directors, guided by Independent Lead Director

Tom Glocer. The Operating Committee greatly values their insight, direction and ongoing partnership. The Board remains deeply engaged throughout the year on the Firm's strategic priorities, including our approach to risk management and resilience. During 2025, we added Lynn Good, former Chair and Chief Executive Officer of Duke Energy, and Douglas Peterson, former Chief Executive Officer of S&P Global, to our Board. They bring additional depth as successful CEOs of world-class organizations.

The Firm's culture—rooted in Rigor, Humility and Partnership—continues to be a source of competitive advantage. Culture is reflected in the way we serve clients, collaborate across businesses and develop future leaders. Culture keeps us grounded and collaborative, focused and deliberate. We are committed to the development of our workforce and investment in our talent and in our culture—both important elements that will drive our Integrated Firm to continued success.



The Firm's culture—rooted in Rigor, Humility and Partnership—continues to be a source of competitive advantage.

FOUR PILLARS OF THE INTEGRATED FIRM DRIVE TOWARD FIRMWIDE GOALS

Strategy

Clear and Consistent Strategy
in Support of Clients

Culture

Rigor, Humility and
Partnership

Financial Strength

Strong Capital,
Liquidity and Earnings

Growth

Investing Across the Firm

Firmwide Goals

Client Assets	\$10 Trillion+
Wealth Management Pre-Tax Margin	30%
Institutional Securities Wallet Share	Durable Share Gains
Efficiency Ratio	70%
ROTCE	20%

The Road Forward

Morgan Stanley entered 2026 from a position of strength. We have a diversified global business, a clear and consistent strategy and a client-centric culture burnished over nine decades. We are resilient and we are focused.

The Integrated Firm brings together world-class wealth and investment platforms alongside a leading global investment bank. We continue to make investments in our core businesses and see significant opportunities ahead. Wealth Management's client acquisition funnel is expanding and driving growth, and Investment Management maintains a well-diversified portfolio. Institutional Securities plays a leadership role around the world and is positioned well for a robust corporate finance cycle. With Morgan Stanley's scale and business mix, we are supporting clients holistically, leveraging all our capabilities to meet their needs. Our global footprint continues to expand. The accelerating pace of AI deployment and adoption may well lead to fundamental changes in how we originate and execute business. Amidst the potential of this once-in-a-generation technology, what will not change is the primary role of the Morgan Stanley trusted advisor before the client. Translating efficiencies into enhanced productivity for our human workforce presents exciting opportunities for scaling Morgan Stanley's global capabilities.

We remain mindful of risk. As we have discussed over the last several years, the "end of the end of history" is now clearly at hand. We are operating in an environment that is more contested, less predictable, and increasingly shaped by nation-state interests. The supply-chain vulnerabilities exposed by the pandemic remain with us and reinforce the importance of resilience, capacity, and policy action across a range of tail scenarios. In such an environment, country and regional risk premia may again play a larger role across traded markets, capital flows and investment decisions.

Asset valuations continue to reflect several years of substantial gains. Nevertheless, as recent weeks have reminded us, market sentiment—transmitted instantaneously to the world—can change rapidly. The potential for conflagration and extended conflict in the Middle East introduces uncertainty around key commodity inputs. The effects of interdependence, shortages, and inventory protection could yield dramatically different macroeconomic scenarios. In the bear case, an extended or expanded conflict would likely negatively impact both inflation

and growth and weigh on the equity and bond markets. At the same time, we should also recognize that large-cap U.S. corporate earnings and higher-end consumer balance sheets continue to be strong alongside a reasonable equilibrium of price stability and employment. An earlier resolution or containment of the conflict would therefore likely be met with reinvigorated corporate confidence and pro-growth capital markets activity, given the ongoing tailwinds of meaningful fiscal and deregulatory policy. This would augur well for equity and risk markets.

At this writing, therefore, we begin to see the two major stories of 2026 come into view. First: the accelerating adoption of artificial intelligence at the consumer, and even more critically, at the enterprise level. Second: the onset of military conflict in the Middle East. These are the "known unknowns" of 2026. Taken together, we would be well-minded to proceed with equal doses of optimism and humility.

Morgan Stanley's mission through periods of uncertainty and through the long arc of economic and market cycles remains the same: to raise, manage and allocate capital with excellence; to invest in our people; to deliver the Integrated Firm to our clients; and to compound earnings for our shareholders. I am energized by the underlying strength and growth trajectory of our franchise and by the commitment and focus of our 83,000 employees around the world. I would like to thank them for their outstanding performance and dedication. We have a world-class Managing Director partnership and strong, seasoned management teams across our businesses globally. For 2026 and beyond, continued investment in our people and culture will be pivotal to driving sustained long-term performance for Morgan Stanley's clients and shareholders.

Thank you for your partnership and investment in Morgan Stanley.



Ted Pick

Chairman and Chief Executive Officer
March 25, 2026

Explanatory Notes

This letter may contain forward-looking statements including the attainment of certain financial and other targets, objectives and goals. Actual results may differ materially from those expressed or anticipated in these forward-looking statements. Morgan Stanley does not undertake to update the forward-looking statements to reflect the impact of circumstances or events that may arise after the date of such forward-looking statements. For a discussion of risks and uncertainties that may affect future results, please see Morgan Stanley's Annual Report on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, including any amendments thereto.

The comparisons of current and prior periods are impacted by the financial results of the acquisitions of E*TRADE Financial Corporation (E*TRADE), which closed on October 2, 2020 (reported in the Wealth Management segment), and Eaton Vance Corp. (Eaton Vance), which closed on March 1, 2021 (reported in the Investment Management segment).

Information provided within this letter may include certain non-GAAP financial measures that we believe to be useful to us, investors, analysts and other stakeholders by providing further transparency about, or an additional means of assessing, our financial condition and operating results. The definition of such financial measures and/or the reconciliation of such measures to the comparable GAAP figures is included in either the Annual Report on Form 10-K for the year ended December 31, 2025 (2025 Form 10-K), or herein.

The attainment of goals or objectives referred to herein assumes a normal market environment and may be impacted by external factors that cannot be predicted at this time, including geopolitical, macroeconomic and market conditions and future legislation and regulations and any changes thereto.

Net income represents net income applicable to Morgan Stanley.

Return on average tangible common equity (ROTCE) represents net income applicable to Morgan Stanley less preferred dividends as a percentage of average tangible common equity. Average tangible common equity represents average common equity adjusted to exclude goodwill and intangible assets net of allowable mortgage servicing rights deduction. ROTCE and average tangible common equity are non-GAAP financial measures that the Firm considers useful for analysts, investors and other stakeholders to assess operating performance.

Total client assets of \$9.3 trillion represent the sum of Wealth Management client assets and Investment Management Assets under Management. Certain Wealth Management client assets are invested in Investment Management products and are therefore also included in Investment Management's Assets under Management.

Efficiency ratio represents total non-interest expenses as a percentage of net revenues.

Institutional Securities wallet share represents the percentage of Morgan Stanley's Institutional Securities segment net revenues to the Wallet. The Wallet represents Investment Banking, Equities and Fixed Income net revenues, where applicable, for Morgan Stanley and the following peer set: Bank of America, Barclays, Citigroup, Deutsche Bank, Goldman Sachs, JP Morgan and UBS. For 2020, the peer set includes Credit Suisse, prior to UBS's acquisition completed in June 2023.

The attainment of these **wallet share** positions assumes a normal market environment and may be impacted by external factors that cannot be predicted at this time, including geopolitical, macroeconomic and market conditions, and future legislation and regulations and any changes thereto.

Pre-tax margin represents income before provision for income taxes as a percentage of net revenues.

Net new assets represent client asset inflows, inclusive of interest, dividends and asset acquisitions, less client asset outflows, and exclude the impact of business combinations/divestitures and the impact of fees and commissions.

Fee-based flows include net new fee-based assets (including asset acquisitions), net account transfers, dividends, interest and client fees, and exclude institutional cash management-related activity. For a description of the inflows and outflows included in fee-based flows, see fee-based client assets in the 2025 10-K.

Client relationships represent advisor-led households, self-directed households and workplace participants, excluding overlap as of December 31, 2025.

Advisor-led flows from Workplace and E*TRADE represent assets brought into advisor-led relationships where the initial account was workplace or self-directed. These have been averaged across the five-year period of 2020, 2021, 2022, 2023 and 2024.

Investment Management **Alternatives and Solutions** asset class includes products in Fund of Funds, Real Estate, Private Equity and Credit strategies, Multi-Asset portfolios, as well as Custom Separate Account portfolios.

Parametric long-term and Parametric overlay represents Assets under Management (AuM) reported under the “Alternatives and Solutions” and “Liquidity and Overlay Services” categories, respectively, in the 2025 10-K. AuM is as of period end. 2020 data is prior to the close of the Eaton Vance acquisition.

Investable capital includes Assets under Management (AuM), unfunded commitments, co-investments and leverage across private alternative and liquid alternative strategies. The AuM portion of investable capital is reported under the “Alternatives and Solutions,” “Equities” and “Fixed Income” categories in the 2025 10-K. AuM is as of period end.

Common Equity Tier 1 (CET1) Capital Ratio is based on the Basel III Standardized Approach Fully Phased-In rules.

Asia region represents Asia Pacific including Japan.

EMEA region represents Europe, Middle East and Africa.

Global revenue represents Morgan Stanley’s EMEA and Asia regional revenues. Contribution represents global revenue as a percentage of the Firmwide total consolidated net revenues. Firmwide regional revenues reflect our consolidated net revenues on a managed basis. Further discussion regarding the geographic methodology for net revenues is disclosed in the 2025 Form 10-K.

Deposits reflect liabilities sourced from Wealth Management clients and other sources of funding on the U.S. Bank subsidiaries. Deposits include sweep deposit programs, savings and other deposits, and time deposits.

Liquidity resources, which are held within the bank and non-bank operating subsidiaries, comprise high-quality liquid assets and cash deposits with banks.

The **No. 1 in managing retail direct indexing assets** ranking is based on Cerulli Associates Managed Account Research—4Q 2025.

Equities revenue wallet share is based on reported 2025 net revenues for the Equities business of Morgan Stanley and the following global peer companies: Goldman Sachs, JP Morgan, Bank of America, Citigroup, Barclays and UBS Group.

League table rankings are based on Thomson Reuters as of January 2, 2026.

